

Translation

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Summary of Non-Consolidated Financial Results for the Nine Months Ended November 30, 2018 (Based on Japanese GAAP)

January 16, 2019

Company name: NARUMIYA INTERNATIONAL Co.,Ltd
 Stock exchange listing: Tokyo
 Stock code: 9275 URL <http://www.narumiya-net.co.jp/ir/>
 Representative: President, Representative Director and Chief Executive Officer Toshiaki Ishii
 Inquiries: Executive Managing Director Chief Financial Officer Chiaki Ueda TEL 03-6430-3405
 Scheduled date to file Quarterly Securities Report: January 11, 2019
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the nine months ended November 30, 2018 (from March 1, 2018 to November 30, 2018)

(1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended November 30, 2018	20,405	–	937	–	832	–	1,328	–
Nine months ended November 30, 2017	–	–	–	–	–	–	–	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended November 30, 2018	136.80	134.61
Nine months ended November 30, 2017	–	–

- (Note) 1. We did not prepare the quarterly financial statements for the third quarter of the year ended February 2018. Therefore, the figures for the cumulative third quarter of the term ended February 2018 and the year-on-year change in the cumulative third quarter of the term ending February 2019 are not indicated.
2. We implemented 1-to-30 share split for common stocks on June 29, 2018. Assuming the share split to be implemented at the beginning of the fiscal year ending February 2019, Earnings per share is calculated.
3. Although there are dilutive shares, no average share price can be determined because our shares are non-listed. Therefore, net income per share after adjustment for dilutive shares is not indicated. We were listed on the Second Section of the Tokyo Stock Exchange on September 6, 2018. Therefore, we regard the average share price over the period between the date on which we were listed on the stock exchange and the last day of the cumulative third quarter of this fiscal year as the average share price of the cumulative third quarter of this fiscal year in order to calculate the Diluted earnings per share for said cumulative third quarter.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2018	14,802	3,085	20.8
As of February 28, 2018	2,162	2,162	99.9

(Reference) Equity : As of November 30, 2018 3,084 Millions of yen
 As of February 28, 2018 2,160 Millions of yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 28, 2018	–	4,993.00	–	1,269.00	6,262.00
Year ending February 28, 2019	–	1,465.00	–		
Year ending February 28, 2019 (Forecast)				30.85	–

(Note) 1. Revisions to the most recently announced dividend forecasts: No

2. We implemented 1-to-30 share split for common stocks on June 29, 2018. The decision on the said share split was made on June 8, 2018, and became effective on the 29th of the same month. The split was made, however, on the premise of a revision in the Articles of Incorporation to be approved by the extraordinary Shareholders Meeting held on the same date as the effective date. Therefore, the interim dividend per share before the 1-to-30 share split is indicated that was paid based on the decision made at the extraordinary Board of Directors meeting held prior to the extraordinary Shareholders Meeting held on June 29, 2018.
3. We plan to apply 30% dividend payout ratio and earnings per share of 30.85 after deduction of extraordinary profit 875 million yen.

3. Forecast of non-consolidated financial results for the year ending February 28, 2019 (from March 1, 2018 to February 28, 2019)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	29,802	–	1,767	–	1,635	176.3	1,879	215.8	192.55

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:	No
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of November 30, 2018	9,906,830 shares	As of February 28, 2018	9,453,030 shares
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Number of treasury shares at the end of the period

As of November 30, 2018	– shares	As of February 28, 2018	– shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 30, 2018	9,712,675 shares	Nine months ended November 30, 2017	9,453,030 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

	(Thousands of yen)	
	As of February 28, 2018	As of November 30, 2018
Assets		
Current assets		
Cash and deposits	14,241	732,856
Notes and accounts receivable - trade	-	2,880,269
Merchandise	-	4,771,390
Prepaid expenses	-	71,778
Income taxes receivable	402,803	-
Deferred tax assets	4,294	270,000
Other	-	103,534
Allowance for doubtful accounts	-	(5,750)
Total current assets	421,338	8,824,079
Non-current assets		
Property, plant and equipment		
Buildings and structures	-	1,189,732
Accumulated depreciation	-	(1,012,008)
Buildings and structures, net	-	177,723
Tools, furniture and fixtures	-	64,525
Accumulated depreciation	-	(55,881)
Tools, furniture and fixtures, net	-	8,644
Land	-	5,940
Leased assets	-	1,987,692
Accumulated depreciation	-	(1,028,913)
Leased assets, net	-	958,779
Total property, plant and equipment	-	1,151,086
Intangible assets		
Goodwill	-	3,173,702
Software	-	40,331
Leased assets	-	121,495
Other	-	10,786
Total intangible assets	-	3,346,316
Investments and other assets		
Investment securities	-	32,887
Shares of subsidiaries and associates	1,740,914	12,489
Long-term prepaid expenses	-	24,579
Guarantee deposits	-	1,069,724
Claims provable in bankruptcy, claims provable in rehabilitation and other	-	49,682
Deferred tax assets	-	112,683
Other	-	221,418
Allowance for doubtful accounts	-	(42,267)
Total investments and other assets	1,740,914	1,481,197
Total non-current assets	1,740,914	5,978,600
Total assets	2,162,253	14,802,679

(Thousands of yen)

	As of February 28, 2018	As of November 30, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	–	3,337,149
Short-term loans payable	–	500,000
Current portion of long-term loans payable	–	450,000
Lease obligations	–	378,020
Accounts payable - other	–	332,210
Accrued expenses	–	596,648
Income taxes payable	–	129,051
Provision for bonuses	–	247,397
Provision for sales returns	–	13,711
Provision for point card certificates	–	31,510
Other	–	104,836
Total current liabilities	–	6,120,535
Non-current liabilities		
Long-term loans payable	–	4,550,000
Lease obligations	–	809,186
Provision for retirement benefits	–	237,227
Other	–	75
Total non-current liabilities	–	5,596,488
Total liabilities	–	11,717,024
Net assets		
Shareholders' equity		
Capital stock	10,000	218,307
Capital surplus	1,567,710	1,823,982
Retained earnings	583,103	1,041,933
Total shareholders' equity	2,160,813	3,084,223
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	–	(8)
Total valuation and translation adjustments	–	(8)
Subscription rights to shares	1,440	1,440
Total net assets	2,162,253	3,085,655
Total liabilities and net assets	2,162,253	14,802,679

Non-consolidated statements of income (cumulative)

(Thousands of yen)

Nine months ended
November 30, 2018

Net sales	20,405,403
Cost of sales	9,075,945
Gross profit	11,329,457
Selling, general and administrative expenses	10,391,655
Operating profit	937,802
Non-operating income	
Interest and dividend income	76
Insurance premiums refunded cancellation	5,405
Purchase discounts	1,972
Miscellaneous income	4,920
Total non-operating income	12,375
Non-operating expenses	
Interest expenses	54,431
Merger expenses	15,954
LISTING EXPENSES	40,019
Miscellaneous loss	7,546
Total non-operating expenses	117,952
Ordinary profit	832,225
Extraordinary income	
Gain on extinguishment of tie-in shares	875,840
Total extraordinary income	875,840
Extraordinary losses	
Loss on retirement of non-current assets	13,853
Impairment loss	21,519
CANCELLATION PENALTY	550
Total extraordinary losses	35,922
Profit before income taxes	1,672,142
Income taxes - current	332,166
Income taxes - deferred	11,294
Total income taxes	343,460
Profit	1,328,681